

Electronic Disbursements – Direct Deposit and Debit Cards

Iowa's Presentation

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Topics of Discussion

■ Reviewing your disbursement structure

How do you currently disburse payments

■ Outreach and offering options

Using both direct deposit and debit cards

■ Possible system enhancements

Supporting electronic disbursement

■ Initial case selections

The biggest impact in the shortest time

■ On-going issues

Loss of location, adding new cases, updating case information,
closing cases



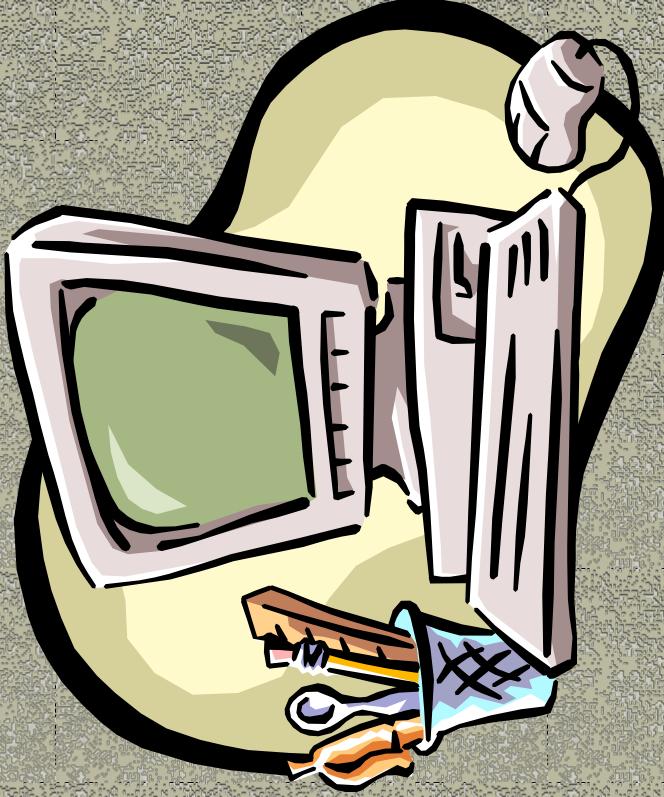
Reviewing your disbursement structure

- How many payments have you sent out

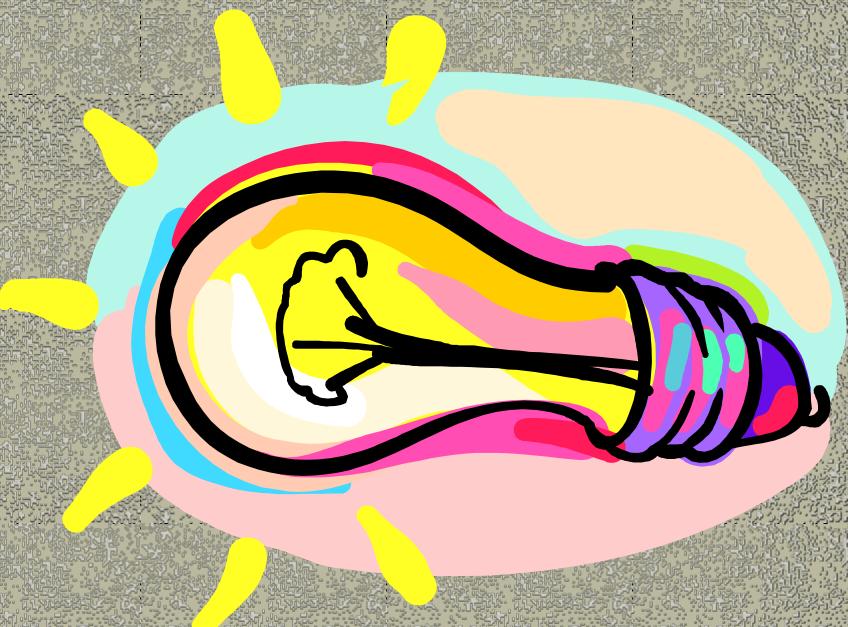
Payments sent out per case
in last three, six, nine,
and twelve months

- Current business practices

Incarcerated custodial parents, international
custodial parents, private enforcement agencies,
payment errors



Outreach and Offering Options



- **Direct Deposit**

Initial mailings offering direct deposit and information on additional electronic payment options

- **Debit Cards**

Send custodial parent a notice they are eligible for debit card and offer exemption if allowed
Send a reminder notice prior to receipt of card

Possible System Enhancements

■ Recording financial institution information

A specific record or other area of your system to record bank information including routing number, account number, electronic payment type (checking , savings, debit card), start date, end date, and possibly a unique identifier

■ Cash process

Daily allocation and disbursement process to use the financial information instead of creating checks/warrants

■ Outgoing EFT files

Follow NACHA approved format to create the outgoing file.
Work closely with disbursing state agency or your own financial institution.



Initial Case Selections

■ Cases without other electronic payment options

Case is not already using direct deposit

■ Cases without exemptions or exceptions

Allowable exceptions disabilities, location, literacy, language
Unique exceptions low payment level or low balance amount



On-Going Issues

- **Loss of location**
 - Less incentive for custodial parent to keep address current
- **Switching from debit card to direct deposit**
 - Parents switching back and forth
- **Updating case information**
 - Keeping names, addresses, demographic data in synch
- **Dealing with new cases**
 - When do you initiate the debit card process
- **Closing cases**
 - Proper notification

Administrative Rule Authority

97.6(5) Warrants. The collection services center may authorize generation of a warrant if any one of the following conditions applies:

- a. Generation of a warrant is necessary to meet federal requirements to disburse a payment to an obligee within two working days when electronic transfer is not feasible.
- b. The obligee has not requested automatic deposit to a designated account of the obligee, and payment is from a source that is nonrecurring or is not expected to continue in a 12-month period.
- c. The obligee has not requested automatic deposit to a designated account of the obligee and has asserted in writing on Form 470-3972, Electronic Support Payments, that one of the exemptions listed in this paragraph applies. To claim an exemption, the obligee must return Form 470-3972 to the collection services center within ten days of the date the form was issued. An exemption granted under this paragraph is subject to periodic review by the collection services center. When the collection services center reviews an exemption, it shall issue Form 470-3973, Review of Electronic Transfer Exemption, to the obligee for completion. The exemptions available under this paragraph are:
 - (1) A physical disability imposes a hardship in accessing an electronically transferred payment.
 - (2) A mental disability imposes a hardship in accessing an electronically transferred payment.
 - (3) A language barrier imposes a hardship in accessing an electronically transferred payment.
 - (4) A literacy barrier imposes a hardship in accessing an electronically transferred payment.
 - (5) The obligee's home and work addresses are more than 30 miles from an automated teller machine and more than 30 miles from a financial institution where the account funds can be accessed.
- d. The representative payee, court appointee, or trustee notifies the collection services center or unit in writing that one of the following applies:
 - (1) The obligee is under a court-ordered guardianship or conservatorship.
 - (2) The obligee is involved in other legal proceedings, including bankruptcy, which require payments to be sent to a trustee or other representative payee.

Initial Notice (First Page)

IOWA DEPARTMENT OF HUMAN SERVICES ELECTRONIC SUPPORT PAYMENTS	
April 28, 2005	
Case #	Case #
De ac Payee Name :	AAAAA SOON YOUR CHILD SUPPORT PAYMENTS WILL BE SENT ELECTRONICALLY! AAAAA
Why is this change being made?	
Sending support payments electronically saves money and gets your payment to you quickly and reliably.	
What does this mean for me?	
You will no longer receive a paper check in the mail. Your support payment will be sent to the bank of your choice through direct deposit or you will receive an electronic access card called the ReSource from U.S. Bank.	
What is an electronic access card?	
An electronic access card is a type of debit card. You use the ReSource at automated teller machines (ATMs) or businesses that accept Visa cards. You can get cash or buy goods and services.	
Will I get the card?	
Yes, the ReSource will be sent to you if you do not sign up for direct deposit or ask for an exemption WITHIN 10 DAYS OF THE ABOVE DATE.	
How do I sign up for direct deposit?	
If you have a bank savings and loan, or credit union account, complete the enclosed authorization form for automatic deposit and return it WITHIN THE NEXT 10 DAYS OF THE ABOVE DATE with proof of your account. Or get the form from http://childsupport.dhs.state.ia.us .	
How is the card different from direct deposit?	
With direct deposit, you choose the bank where you want your payments sent. It is your savings or checking account which you control.	
With the ReSource, the account is only for support payments. We deposit your support into a special account from which you can make withdrawals. The account cannot be used for any other purpose.	

470-3572 (05/05)

Initial Notice (Page 2)

Will it cost me anything to use the card? No, if you use the ReliaCard to pay for purchases at the grocery stores or other retail businesses that is a part of the U.S. Network, you may also make two free withdrawals per month at any US Bank ATM. VISA PLUS is needed. If you use other ATM's or bank tellers or if you make more than two cash withdrawals per month, those charges may be similar to check cashing fees you may be paying now to cash a support check. Fees and services will be explained when you receive your card.

How will I get the card? U.S. Bank will issue the ReliaCard and maintain an account for your support payments. The bank will also send you information about your account and customer services available to you.

How do I get more information?

Call the Specialized Customer Services Unit at 515-242-1530 or 1-888-228-3223 (toll-free nationwide) between the hours of 8:00 AM and 6:00 PM (Iowa Time) Monday through Friday, except state holidays.

Important Reminders --

so that you continue to receive important case information and documents please notify the Specialized Customer Services Unit immediately if you change your address. Please include your case number in any correspondence.

How do I seek for an exception?

If there is a reason that prevents you from using the ReliaCard, complete the exception request on the following page and return it within 10 days to the address on the bottom of the last page.

Policy on Discrimination

By law, DHS will not discriminate against you on the basis of:

Age Club Creed Disability National Origin

Race Religion Sex Political Beliefs

If you feel we have discriminated, you can ask for a discrimination complaint form from any office of the DHS Diversity Program Unit. To file a complaint of discrimination, you may also write to any of the addresses below. If you need help, you may call your county DHS office.

Iowa Civil Rights Commission
Iowa Department of Human Services
Diversity Program Unit 1st Fl.
1305 E Walcott
Des Moines IA 50319-0114
U.S. Department of Health and Human Services
Office for Civil Rights Region VII
601 E 11th St. Rm 248
Kansas City MO 64106-2203

Initial Notice (Page 3)

IOWA DEPARTMENT OF HUMAN SERVICES EXEMPTION REQUEST		Date : 04/23/2003
Obligee Name : <input type="text"/> Payne, Mike	Case Number : <input type="text"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p>NOTE: Do not complete this form if you are having Direct Deposit. Direct Deposit is voluntary. Only fill out this form if there is a reason you can't use the Reinstated.</p> <p>I have:</p> <ul style="list-style-type: none"><input type="checkbox"/> I have a mental disability.<input type="checkbox"/> I have a language barrier.<input type="checkbox"/> I have difficulty reading.<input type="checkbox"/> There is an Automatic Teller Machine (ATM) or bank branch that allows ATM cash advances within 30 miles of my home and work.<input type="checkbox"/> The custodial parent has a court-ordered guardian ad conservator (who has signed below).<input type="checkbox"/> The custodial parent is involved in legal proceedings, such as bankruptcy, which requires payment to be sent to a trustee or other representative (who has signed below). <p>The statements made and the information given in this exemption request are true and correct to the best of my knowledge and belief.</p> <p>Name (Print) _____ Case Number: _____</p> <p>Date _____ Signature _____</p> <p>Please return this form to: Collection Services Center Attn: EAC Coordinator Rm 8125 Des Moines, IA 50309-8125</p>		

470-3872 (05/03)



Initial Notice (Page 4)

Iowa Department of Human Services
AUTOMATION FOR AUTOMATIC DEPOSITS

The Iowa Collection Services Center (CSC) is authorized to initiate deposits of child support to my account at the financial institution below:

Financial Institution (Print): _____

Branch Address: _____

City: _____ State: _____ Zip: _____

Account Number: _____

ACCOUNT TYPE (Mark One):

CHECKING: Attach a voided blank check from the checking account to which the direct deposit will be made or a letter from your financial institution with your name, address, bank routing number, and account number. The letter must be on financial institution letterhead and signed by a financial institution representative. YOUR NAME MUST APPEAR ON THE ACCOUNT.

SAVINGS: Attach a letter from your financial institution with your name, address, bank routing number, and account number. The letter must be on financial institution letterhead and signed by a financial institution representative. YOUR NAME MUST APPEAR ON THE ACCOUNT.

If the same payment has been deposited more than once into your account, CSC will immediately contact the institutions and notify you of the removal of the duplicate funds from your account.

This authority remains in effect until CSC has received written notification from me of its termination in such time and manner to give CSC a reasonable opportunity to act on it.

Your Name (Print): Last: _____ First: _____ MI: _____

Your Address: _____

Your CSC Case Number(s): _____

Your Phone Number(s): _____

Your Signature: _____ Date: _____

Please complete and mail this form and attachment to Collection Services Center, ATTN: Accounting; PO Box 9125, Des Moines, IA 50306-9125. Be sure to enclose your voided check or letter from your financial institution. Please do not send a deposit slip.

470-2612 (06/03)

Reminder Notice

Iowa Department of Human Services – Electronic Access Card Reminder

You will no longer receive your child support by check!

Instead of sending paper checks,
Iowa Child Support Recovery
will now send all your
support payments to a U.S. Bank®
ReliaCard® Visa® account.

To get your child support, you must use your ReliaCard!



When you receive your ReliaCard,
do NOT throw it away!

To be ready for your next payment,
activate your new ReliaCard
by calling 1-866-276-5114
as soon as the card arrives!

If you do not activate your ReliaCard, you cannot get your money.

Getting information about your payments is easy!

Has the Child Support Unit received my payment?

To check on payments,
call our automated payment information system
or speak to a customer service representative at
1-888-228-9223.

Use our secure Iowa Child Support website at:
<http://childsupport.dhs.state.ia.us>

Is the payment on my ReliaCard? What is my balance?

To find out, call U.S. Bank's
automated payment information system or
speak to a customer service representative at
1-866-276-5114.

Go to U.S. Bank's website at:
<https://www.reliacard.com>

To check for payments on Child Support's website at our automated payment system, please call us weekdays 8:00 AM to 5:00 PM
at 1-888-228-9223 to get your access code (also called a Recruit Identification Number or PIN).
Payments will be in your ReliaCard account approximately three business days after posting to the child support system.

745-4627 (700-0001)

PAYEE EFT Screen

D479HR13	IOWA COLLECTION AND REPORTING SYSTEM PAYEE EFT AUTHORIZATION	DATE: 09/05/06 TIME: 07:46:14
CASE NUMBER.....:		
PAYEE.....	PAYEE'S ID NUMBER...:	
PAYOR.....	BANK NAME:	
BANK NUMBER.....	ADDRESS...:	
ACCOUNT NUMBER...:	EAC/DD NOTICE: 00 00 0000	
ACCOUNT TYPE....:	START DATE	REQUEST DATE
	00 00 0000	00 00 0000
STOP DATE	00 00 0000	ISSUE DATE
		00 00 0000
GENERATE NOTICE.: Y	EXEMPTION.....:	EXEMPTION.....: LOW 00 00 0000
REQUIRE NOTICE.: N	EAC ID.....:	EAC ID.....: 0000000000
PRENOTIFICATION..:		
PF2=ADD, PF3=MODIFY, PF4=DELETE EFT, PF5=INQUIRE, PF6= HISTORY PF7=PAGE BACKWARD, PF8=PAGE FORWARD, PF9=REFRESH, PF22=NEW NEXT SCREEN: NOTES: PAYEE EFT NOT FOUND, ENTER INFORMATION AND USE PF2 TO ADD		

